

**Gambling Control Board Meeting Minutes**  
**July 19, 2006**  
**45 Commerce Drive, Augusta, Maine**

Meeting opened at 12:35 p.m.

**Board members present:** Chairman George McHale, Peter Danton, W. Lawrence Hall, Michael Peters and Cushing Samp

**Staff members present:** Exec. Director Robert Welch, Lt. Patrick Fleming, Auditor Scott Woods and Secretary Kathy Chamberlain.

**Legal counsel:** Melissa O'Dea, Ass't Attorney General

**\*\*Minutes from June 14, 2006 meeting approved.**

**Motion to accept:** Cushing Samp

**Seconded:** Larry Hall

**Vote:** 5-0

**\*\*Executive Director's Report**

Bob Welch presented to the Board a copy of the Evacuation Policy for the Gambling Control Board Room/Unit in the event of a fire.

**Motion to accept Policy as written:** Mike Peters

**Seconded:** Cushing Samp

**Vote:** 5-0

- The contract with McDonald, Page (financial consultants to the Board) is being reviewed for renewal.
- A letter given to the Board advising that Hollywood Slots has changed auditors and, by law, has to notify the Board. The new auditor is Ernst & Young, who apparently does more gaming auditing than the former auditor B.D.O.
- There are Global Cash Access machines at the Racino and a description of them was given to the Board for their perusal. They are not ATMs by definition. The Board would like to discuss these machines again at their August meeting under Old Business.
- The Budget for 2005-2007 was passed out to the Board for their information.
- There was a \$50,000 jackpot recently at Hollywood Slots – no taxes were taken out and winner wanted it in cash. This is the largest payout so far at Hollywood Slots.

**\*\*Financial Update**

Scott Woods reported that there have been some large variances recently between Scientific Games machine reports and ours. Each is investigated, reconciled and then cleared. Jeremiah Johnson, Sci Games, advised at this time, that the "threshold" for these machines has been raised meaning the amount of credits each machine needs to recognize, to eliminate or at least lower greatly the amount of times there will be a variance between the systems. Mr. Woods recently went to Las Vegas for gaming auditor training and reported that it was very informative

and valuable training for him. He is currently reviewing for the State Police Staff, all individual tax returns coming in on renewal applications. Key Executive returns are still sent to Macdonald, Page.

**\*\*State Police Activity Update:**

Lt. Fleming advised that Sgt. Parker is in Las Vegas this week at a seminar, and at the same time interviewing a Key Executive from Bally's while he is there, to save a separate trip there later. Lt. Fleming advised the Board that since the June Board meeting, 24 applications have been received for review and background check by the Unit and MSP Staff. He also advised them that a random inspection was done by Sgt. Parker, Detective Don Armstrong and MSP inspectors Ed Olson and Tom Russell on 6/20/2006 at Hollywood Slots. Random checks were done on machine logs for proper signatures, access key system, unclaimed jackpots of which there have been three and other miscellaneous checks. Everything checked out to be accurate and consistent in operation.

**\*\*Unfinished Business:**

**\*Resolve of Moratorium on future casino legislation** presented by Mike Peters. Discussion ensued after a draft was read of a Moratorium request drafted by Mike. Cushing Samp felt that it was a little broad in language and agreed to work on editing it a bit with Mr. Peters. Issue was tabled until next meeting.

**\*State Financial Safeguards** – Bob Welch. Per the Board's request, Mr. Welch provided them with a layout of how bills are taken care of within the state accounting system.

**Motion made by Larry Hall (reworded from last month's motion) "Effective immediately, except as set forth below or as provided otherwise by law, all financial obligations of \$1,000.00 or more, whether deemed appropriate by department staff or others for payment, shall be approved by a majority vote of the Gambling Control Board before they are paid. All future contracts shall contain the wording of this motion. Any obligations which in their aggregate equal or exceed \$1,000.00 are subject to this rule. This provision does not apply to or affect the Executive Director's ability to make regular recurring payments, including, without limitation, rent, telephone charges, payroll, or office supplies."**

**Seconded by Cushing Samp**

Lengthy discussion followed the motion. Others wanted to discuss an alternative motion, but were advised by Ms. O'Dea that there was already a motion on the table. Mr. Hall advised that he wanted a vote on his motion, rather than withdraw it. More discussion ensued with Mr. Danton expressing a wish to table this motion for now. Mr. Hall then withdrew his motion and Ms. Samp withdrew her second to that motion. It was agreed that the language should be worked on to direct it rather towards contracts, etc. Mr. McHale and Ms. Samp will work on the language and present at the next meeting.

**\*\*New Business:**

**\*Adopt Rules from May 2006 Meeting** – Bob Welch. Basically the only change from the last time they reviewed the proposed amendments was in Ch. 5.1.i, definition of machine malfunction.

**Motion to accept Rules:** Mike Peters

**Seconded** by Peter Danton

**Vote:** 5-0

**\*Hollywood Slots Fall Promotion** – Mr. Welch provided the Board with information regarding HS' next promotion, which was filed by the operator as required by the Rules.

**\*Memo of Understanding** between the Gambling Control Board (Department of Public Safety) and the Office of Substance Abuse (Department of Health and Human Services) re: problem gaming, counselors, payment, etc. was distributed to the Board for authorization.

**Motion to authorize Mr. Welch and Commissioner Cantara to execute agreement** by Larry Hall

**Seconded** by Peter Danton

**Vote:** 5-0.

**Next Meeting Date** are set for **Wednesday, August 16<sup>th</sup>** and **Wednesday, September 20<sup>th</sup>** at **12:30** in the **Gambling Control Conference Room, 45 Commerce Drive.**

**Motion to adjourn** by Peter Danton

Meeting adjourned at 3:00 p.m.